

Message Text

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INFO OCT-01 EUR-12 EA-06 ISO-00 EB-07 FEA-01 /027 R

DRAFTED BY TREAS:WHWITHERELL:DLS

APPROVED BY EB/IFD/OMA:RJRYAN

TREAS:JPASKY

TREAS:BNEWMAN

TREAS:WIDMAN

EB/ORF/FSE:RMARTIN

EUR/RPE:WCLARKE

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R 212340Z JUL 75

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E.O. 11652: N/A

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TAGS:EFIN, ENRG, OECD

SUBJECT: IEA AD HOC GROUP ON FINANCIAL AND INVESTMENT
ISSUES (FII)

1. TO POSTS IN ALL IEA CAPITALS. FOLLOWING IS MESSAGE FROM
TREASURY ASSISTANT SECRETARY PARKSY, CHAIRMAN OF IEA AD HOC
GROUP ON FINANCIAL ISSUES TO MEMBERS OF AD HOC GROUP.
PLEASE PASS MESSAGE TO APPROPRIATE MINISTRY OF HOST GOVERN-
MENT, PRESUMABLY FINANCE. QUOTE:

2. TO ALL MEMBERS OF THE AD HOC GROUP ON FINANCIAL AND IN-
VESTMENT ISSUES FROM GERALD L. PARKSY, CHAIRMAN. BASED ON
A DISCUSSION I HAD WITH IEA GOVERNING BOARD CHAIRMAN
D'AVIGNON, I WOULD LIKE TO PROPOSE A WORK PLAN FOR THE AD
HOC GROUP FOR THE NEXT SEVERAL MONTHS.

3. MR. D'AVIGNON HAS REQUESTED THAT AT THE JULY 28 GOVERN-

ING BOARD MEETING I REPORT ON THE STATUS OF WORK ON THE
IDENTIFIED FINANCIAL AND INVESTMENT ISSUES BY THE AD HOC
GROUP AND OTHER GROUPS AND DISCUSS HOW THIS WORK MIGHT BEST
BE DRAWN TOGETHER INTO COORDINATED IEA POSITIONS AND INTE-
GRATED WITHIN THE OVERALL IEA APPROACH TO THE DIALOGUE.

THIS WILL BE A BRIEF ORGANIZATIONAL REPORT AND I WOULD NOT
ANTICIPATE DISCUSSION AT THE GOVERNING BOARD ON THE SUB-
STANCE OF THE FINANCIAL AND INVESTMENT ISSUES. HOWEVER I
UNDERSTAND THE IEA SECRETARIAT IS NOTIFYING THE MEMBER
COUNTRIES OF MY REPORT SO THAT ANY WHO WISH TO HAVE A
FINANCIAL OFFICIAL AT THE MEETINGS MAY DO SO. I DO NOT
THINK IT WILL BE NECESSARY TO HOLD A MEETING OF THE
AD HOC GROUP PRIOR TO THE JULY 28 GOVERNING BOARD
MEETINGS.

4. MR. D'AVIGNON ALSO REQUESTED THAT PRIOR TO SEPTEMBER
GOVERNING BOARD MEETING THE AD HOC GROUP DEVELOP IN-DEPTH
COORDINATED IEA POSITIONS ON THE VARIOUS FINANCIAL AND
INVESTMENT ISSUES AND THAT I REPORT TO THE GOVERNING BOARD
ON THESE POSITIONS IN SEPTEMBER. BECAUSE OF THE AUGUST
HOLIDAYS I BELIEVE WE MUST DEFER OUR NEXT MEETING OF THE
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AD HOC GROUP UNTIL EARLY SEPTEMBER. THIS TIMING UNFORTU-
NATELY COINCIDES WITH THE IMF - WORLD BANK MEETINGS WHICH
MANY OF US MUST ATTEND. THEREFORE, I AM CONSIDERING THE
POSSIBILITY OF HOLDING THE NEXT MEETING OF THE AD HOC
GROUP IN WASHINGTON IMMEDIATELY FOLLOWING, OR PERHAPS
CONCURRENT WITH, THE IMF-WORLD BANK MEETINGS. YOUR
REACTION TO THIS PROPOSED APPROXIMATE TIME AND LOCATION
WOULD BE APPRECIATED.

5. THE MAIN PURPOSE OF THE SEPTEMBER MEETING WOULD BE TO FINALIZE A CHAIRMAN'S REPORT TO THE GOVERNING BOARD. WITHIN THE NEXT SEVERAL WEEKS I PLAN TO SEND YOU A DRAFT CHAIRMAN'S REPORT WHICH WILL BE BASED ON MY PREVIOUS REPORT AND THE WORK OF THE OECD TEMPORARY WORKING PARTY OF THE ECONOMIC POLICY COMMITTEE AND THE COMMITTEE ON INTERNATIONAL INVESTMENT AND MULTINATIONAL ENTERPRISES. FOLLOWING YOUR RECEIPT OF THIS DRAFT REPORT I WOULD APPRECIATE RECEIVING YOUR COMMENTS AND SUGGESTIONS AS SOON AS POSSIBLE SO THAT I CAN PREPARE AND DISTRIBUTE A REVISED DRAFT PRIOR TO OUR SEPTEMBER MEETING. I RECOGNIZE THE DIFFICULTIES OF THIS SCHEDULE GIVEN THE AUGUST HOLIDAYS, BUT BASED ON OUR WORK AND THE WORK IN OECD, I BELIEVE THERE IS ALREADY A VERY SUBSTANTIAL CONSENSUS ON MOST, IF NOT ALL, ISSUES.

6. MR. D'AVIGNON HAS ASKED ME TO HAVE THE AD HOC GROUP CONSIDER IN DEPTH THE ISSUE OF INDEXATION OF OIL PRICES. THE U.S. GOVERNMENT HAS DRAFTED A PROPOSED IEA POSITION PAPER ON THIS SUBJECT WHICH I PLAN TO CIRCULATE AS A U.S. DRAFT TO THE MEMBER COUNTRIES AT THE JULY 28 GOVERNING BOARD MEETING. I WOULD APPRECIATE RECEIVING COMMENTS ON THAT PAPER BY AUGUST 15 SO THAT I CAN PREPARE A REVISED

DRAFT, IF NECESSARY, PRIOR TO OUR SEPTEMBER MEETING.

7. A PROPOSAL HAS BEEN MADE THAT THERE SHOULD BE ESTABLISHED A FOURTH COMMISSION DEALING WITH MONETARY AND FINANCIAL MATTERS. I PREPARED A REPORT TO MR. D'AVIGNON AT HIS REQUEST GIVING MY VIEWS ON THAT PROPOSAL. THAT

DECLARATION WAS CIRCULATED BY THE IEA SECRETARIAT
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AS IEA/WP(75)23 ON JUNE 30, 1975.

8. TWO OTHER ISSUES WHICH I BELIEVE THE AD HOC GROUP SHOULD DISCUSS FURTHER AT OUR NEXT MEETING ARE : (A) INDUSTRIALIZED COUNTRY - OIL PRODUCER COUNTRY COOPERATION IN MEETING THE NEEDS OF THE DEVELOPING OIL CONSUMER NATIONS, AND (B) IEA GOVERNMENT POLICIES TOWARDS INVESTMENTS IN THEIR ENERGY SECTORS BY OTHER IEA INVESTORS PURSUANT TO CHAPTER FIVE OF THE LONG-TERM COOPERATION AGREEMENT.

9. FINALLY, I THINK WE SHOULD ADDRESS THE APPROPRIATE FUTURE ROLE OF THE AD HOC GROUP WITH RESPECT TO THE DIALOGUE AND SPECIFICALLY THE WORK OF THE PROPOSED THREE COMMISSIONS. WE SHOULD ALSO DETERMINE WHETHER THERE IS

A NEED TO REQUEST FURTHER WORK BY OTHER GROUPS. WE WILL RECEIVE REPORTS AT THE SEPTEMBER MEETING ON THE WORK THUS FAR OF THE TEMPORARY WORKING PARTY AND THE COMMITTEE ON INTERNATIONAL INVESTMENT AND MULTINATIONAL ENTERPRISES.

10. OUR AGENDA FOR THE SEPTEMBER MEETING, THEREFORE, WILL BE A FULL ONE, AND CONSIDERABLE WORK BETWEEN NOW AND THEN WILL BE NECESSARY. I WOULD BE APPRECIATIVE OF ANY DISCUSSION PAPERS OR COMMENTS ANY MEMBER OF THE AD HOC GROUP WOULD BE ABLE TO PROVIDE ON THE ABOVE MENTIONED TOPICS OR ON ANY OTHER RELEVANT FINANCIAL AND INVESTMENT ISSUES. I LOOK FORWARD TO MEETING WITH YOU AGAIN IN SEPTEMBER. END QUOTE.

11. AMEMBASSY BRUSSELS. PLEASE PASS FOREGOING TO D'AVIGNON.

12. US MISSION OECD PARIS. PLEASE PASS FOREGOING TO HOPKINS AND LANTZKE. KISSINGER

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: POLICIES, MEETING AGENDA, ENERGY, AGREEMENT DRAFT, DIPLOMATIC COMMUNICATIONS, FINANCIAL PROGRAMS, INVESTMENT PROGRAMS
Control Number: n/a
Copy: SINGLE
Draft Date: 21 JUL 1975
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: greeneet
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1975STATE171614
Document Source: CORE
Document Unique ID: 00
Drafter: WHWITHERELL:DLS
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D750252-0152
From: STATE
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1975/newtext/t19750736/aaaabfxx.tel
Line Count: 188
Locator: TEXT ON-LINE, ON MICROFILM
Office: ORIGIN TRSE
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 4
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: n/a
Review Action: RELEASED, APPROVED
Review Authority: greeneet
Review Comment: n/a
Review Content Flags:
Review Date: 07 APR 2003
Review Event:
Review Exemptions: n/a
Review History: RELEASED <07 APR 2003 by Izenbel0>; APPROVED <29 SEP 2003 by greeneet>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
06 JUL 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: IEA AD HOC GROUP ON FINANCIAL AND INVESTMENT ISSUES (FII)
TAGS: EFIN, ENRG, OECD, (PARKSY, GERALD L)
To: OECD PARIS MULTIPLE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 06 JUL 2006